

| Invoice Number | Invoice Date | Invoice Amount | Discount | Net Amount |
|----------------------------------|--------------|----------------|----------|------------|
| 10099-C/015/0032 TASK ID#4237 | 01/03/2013 | 484.00 | | 484.00 |
| 10100-C/015/0032 TASK ID#423* | 01/03/2013 | 396.00 | | 396.00 |
| Total Discount | | | | 0.00 |
| Sum total | | | | 880.00 |

Incoming
C0150032
#4237
OK

RECEIVED

JAN 29 2013

DIV. OF OIL, GAS & MINING

THIS CHECK IS VOID WITHOUT A BURGUNDY & GRAY BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

Genwal Resources, Inc.
794 C Canyon Road
East Carbon UT 84520

Fifth Third Bank
1404 East Ninth Street
Cleveland OH 43980

6-271
410

EIGHT HUNDRED EIGHTY DOLLARS

| DATE | CHECK NO | VENDOR NO |
|------------|----------|------------|
| 01/24/2013 | 200873 | 0000403007 |

| AMOUNT |
|----------|
| \$880.00 |

ORIGINAL CHECK
ROUTED TO ACCOUNTING

PAY
TO THE
ORDER
OF

DIVISION OF OIL GAS & MINING
PO Box 145801
SALT LAKE CITY UT 87114-5801

VOID AFTER 6 MONTHS

Robert D. Moore



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 3, 2013

CERTIFIED RETURN RECEIPT
7009 3410 0001 4203 2307

Jay Marshall, Resident Agent
Genwal Resources Inc.
P O Box 910
East Carbon, Utah 84520-0910

RECEIVED

JAN 29 2013

DIV. OF OIL, GAS & MINING

Subject: Proposed Assessment for State Violation No. N 10100, Crandall Canyon Mine,
C/015/0032, Task ID #4238

Dear Mr. Marshall:

The undersigned has been appointed by the Division of Oil, Gas & Mining as the Assessment Officer for assessing penalties under R645-401.

Enclosed is the proposed civil penalty assessment for the above referenced violation. The violation was issued by Division Inspector, Ken Hoffman, on December 3, 2012. Rule R645-401-600 et. seq. has been utilized to formulate the proposed penalty. By these rules, any written information which was submitted by you or your agent within fifteen (15) days of receipt of this Notice of Violation has been considered in determining the facts surrounding the violation and the amount of penalty.

Under R645-401-700, there are two informal appeal options available to you:

1. If you wish to informally appeal the fact of this violation, you should file a written request for an Informal Conference within thirty (30) days of receipt of this letter. This conference will be conducted by the Division Director. This Informal Conference is distinct from the Assessment Conference regarding the proposed penalty.



- | | | |
|---|---|------------|
| X | Normal Compliance | -1 to -10* |
| | (Operator complied within the abatement period required) | |
| X | Extended Compliance | 0 |
| | (Permittee took minimal actions for abatement to stay within the limits of the NOV or the violated standard of the plan submitted for abatement was incomplete) | |
| | (Permittee complied with conditions and/or terms of approved Mining and Reclamation Plan) | |

EASY OR DIFFICULT ABATEMENT? Difficult, plans were required

ASSIGN GOOD FAITH POINTS 8

PROVIDE AN EXPLANATION OF POINTS:

***** The permittee exercised diligence in abating the violation.**

V. ASSESSMENT SUMMARY

NOTICE OF VIOLATION # N 10100

| | | |
|------|--------------------------|-----------|
| I. | TOTAL HISTORY POINTS | <u>0</u> |
| II. | TOTAL SERIOUSNESS POINTS | <u>14</u> |
| III. | TOTAL NEGLIGENCE POINTS | <u>12</u> |
| IV. | TOTAL GOOD FAITH POINTS | <u>-8</u> |
| | TOTAL ASSESSED POINTS | <u>18</u> |

TOTAL ASSESSED FINE \$ 396



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 3, 2013

CERTIFIED RETURN RECEIPT
7009 3410 0001 4203 2291

Jay Marshall, Resident Agent
Genwal Resources Inc.
P O Box 910
East Carbon, Utah 84520-0910

Subject: Proposed Assessment for State Violation No. N 10099, Crandall Canyon Mine,
C/015/0032, Task ID #4237

Dear Mr. Marshall:

The undersigned has been appointed by the Division of Oil, Gas & Mining as the Assessment Officer for assessing penalties under R645-401.

Enclosed is the proposed civil penalty assessment for the above referenced violation. The violation was issued by Division Inspector, Ken Hoffman, on December 3, 2012. Rule R645-401-600 et. seq. has been utilized to formulate the proposed penalty. By these rules, any written information which was submitted by you or your agent within fifteen (15) days of receipt of this Notice of Violation has been considered in determining the facts surrounding the violation and the amount of penalty.

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| | (Permittee complied with conditions and/or terms of approved Mining and Reclamation Plan) | |

EASY OR DIFFICULT ABATEMENT? Difficult, plans were required

ASSIGN GOOD FAITH POINTS 0

PROVIDE AN EXPLANATION OF POINTS:

***** There was no abatement required by the notice of violation. The operator had the required sampling probe for field dissolved oxygen however this probe was malfunctioning. The flow monitoring meter was down however it is understood that the operator could have been recording daily flow measurements from an alternative meter.**

V. ASSESSMENT SUMMARY

| | | |
|--------------------------------------|--------------------------|---------------|
| NOTICE OF VIOLATION # <u>N 10099</u> | | |
| I. | TOTAL HISTORY POINTS | <u>0</u> |
| II. | TOTAL SERIOUSNESS POINTS | <u>12</u> |
| III. | TOTAL NEGLIGENCE POINTS | <u>10</u> |
| IV. | TOTAL GOOD FAITH POINTS | <u>0</u> |
| | TOTAL ASSESSED POINTS | <u>22</u> |
| TOTAL ASSESSED FINE | | <u>\$ 484</u> |